

EXHIBIT

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October 13, 2004

Via Facsimile

Jessica Golden Cortes, Esq.
Patterson, Belknap, Webb & Tyler
1133 Avenue of the Americas
New York, New York 10036-6710

Re: *In re Pharmaceutical Industry Average Wholesale Price Litigation*,
MDL No. 1456, Civ. No. 01-12257-PBS (U.S. D.C. D. Mass.)

Dear Jessica:

Pursuant to your request, set forth below is an estimate of the man hours and expenses that UnitedHealthcare Inc. anticipates that it would incur in producing the claims data fields that Mr. Haas identified in his letter of April 7 (to the extent such fields are maintained by UnitedHealthcare Inc.) for the period 1997 through 2003. The production of claims data for the NDC and J-Codes that Mr. Haas and you have identified is not, as Mr. Haas asserts in his letter, "relatively straightforward." The production of "live" data for the period May 1, 2001 through Dec. 31, 2003 would be a considerable intrusion into the day to day operations of UnitedHealthcare Inc. as significant employee and computer resources would need to be diverted from the company's current and ongoing operations. And the claims data for the period January 1, 1997 through April 30, 2001 is archived on tapes, which significantly complicates an already onerous process. Let me know if you would like us to provide further details regarding the specific steps that would need to be completed and the resources that would need to be reallocated to identify, extract, and produce claims data.

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Please be advised that UnitedHealthcare Inc. is not agreeing to produce the claims data at this time. We are providing the man hour and expense estimates in order that you may have an initial sense of the how much UnitedHealthcare would be seeking as reimbursement from the defendants if it were to agree to produce claims data. The specifics of any production of claims data would remain subject to further negotiation.

Estimates

1. Claims data from Live Galaxy for claims adjudicated during the period May 1, 2001 through December 31, 2003. Galaxy is a data warehouse that contains adjudicated claim and associated data from two transaction processing system platforms (known as Unet and Cosmos). Galaxy is one of the largest computer databases in the world. Medical and pharmacy claims data for claims adjudicated from May 1, 2001 forward is currently maintained on the live Galaxy database. UnitedHealthcare Inc. estimates that it would take approximately 155 staff hours at \$150/hour, plus an estimated \$4,500 in computer resource/data center utilization fees (CPU, short-term disk storage, tape mounts) to identify, extract and produce the claims data for the period May 1, 2001 through December 31, 2003. Accordingly, the total cost for this component is approximately \$29,750.

2. Claims data from Archived Galaxy for claims adjudicated during the period August 1998 through April 30, 2001. Medical and pharmacy claims data for claims adjudicated between August 1, 1998 and April 30, 2001 has been removed from the live Galaxy database and is now archived on tapes. UnitedHealthcare Inc. estimates that it would take approximately 250 staff hours at \$150/hour, plus an estimated \$6,000 in computer resource/data center utilization fees to identify, extract and produce the claims data for the period August 1, 1998 through April 30, 2001. Accordingly, the total cost for this component is approximately \$43,500.

3. Pre-Galaxy data for claims adjudicated during the period January 1, 1997 through July 30, 1998. Medical and pharmacy claims data for claims adjudicated between January 1, 1997 through July 30, 1998 was housed in two data warehouses known as "DSS" and "Mars." The information is now archived on tapes. Past

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experience (among current employees) in trying to identify, extract and produce claims data from the archived tapes for the DSS and Mars warehouses is limited.

As to the DSS warehouse, UnitedHealthcare Inc. estimates that it would take approximately 260 staff hours at \$150/hour, plus an estimated \$7,500 in computer resource/data center utilization fees to identify, extract and produce the claims data for the period January 1, 1997 through July 30, 1998. As to the Mars warehouse, UnitedHealthcare Inc. estimates that it would take approximately 260 staff hours at \$150/hour, plus an estimated \$4,200 in computer resource/data center utilization fees. Accordingly, the total cost for this component is approximately \$89,700 (78,000 + 11,700).

As you we have discussed, an estimate of 24 man hours does not mean that the project can be completed in a day, due to, among other things, the time associated with identification and loading of tapes, computer processing time, formatting, quality control, and other matters requiring use of the computer systems. UnitedHealthcare estimates that it would take between one to two months to complete the process of identifying, extracting and producing the claims data from any one of the three components described above. It, of course, would take additional time to complete the task if UnitedHealthcare, Inc. produced data for more than one component. We would be happy to provide an estimate of the time it would take to produce data from all three components or some combination thereof.

Finally, please note that the claims data for the AARP Pharmacy Services program and AARP supplemental group health insurance program is not maintained on the above-described systems, but rather is separately warehoused. We are finalizing time and time and costs estimates for identifying, extracting and producing the AARP programs claims data and expect to provide the information to you in the next few days.

Very truly yours


Michael J. Prame